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GENERAL

1. Spaak urged to advise Dutch on Indonesia—The Department of State expresses to US Embassy Brussels the view that Premier Spaak is fully justified in his recently evidenced anxiety over the financial effect upon Benelux of continued Dutch failure to solve the Indonesian problem. The Department points out that special effort is required from the Belgian Government if the consequences of Dutch intransigence are not to fall heavily upon the Belgians. The Department therefore expresses the hope that Spaak will urge the Dutch Government to go further than it has recently in offering a basis for prompt settlement of the Indonesian dispute. The Department considers that the latest Dutch plan lacks "the essential ingredient" for settlement: the restoration of the Indonesian Republic as a governmental entity with some seat of authority.

FAR HAST

2. CHINA: Soviet "evacuation warning" from Peiping reported—
The Assistant Naval Attache in Peiping reports that a former Soviet Consul has warned Soviet citizens in the city to be prepared to evacuate to Manchuria on 24 hour notice, on the basis that war with the US is imminent. The Assistant Naval Attache, who regards this report as "probably true," suggests that this information "may be in line with the Soviet grab of Manchuria."

(CIA Comment: CIA has no information with which to confirm or deny this report of an evacuation warning. CIA does not believe, however, that the USSR is preparing to take precipitate action in Manchuria. Soviet political maneuvers designed to secure eventual Soviet control of Manchuria are apparently already in process, but these will probably continue to be gradualistic, especially in view of the obvious complications that would ensue with the Chinese Communists if rapid action were taken.)

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